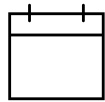


My Future Fund Auto-Enrolment

Q&A Guidance Report for Irish Steel Members

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Go-Live Date
1st Jan 2026



Estimated Coverage
800,000 Workers



Year 1 Rate
3.5% Total



Max Penalty
€50,000

Executive Summary

This document addresses the key questions raised during the My Future Fund auto-enrolment briefing for Irish Steel members. Auto-enrolment is mandatory for all Irish employers from 1 January 2026, with an estimated 800,000 workers to be automatically enrolled.

Critical Reminders:

- ✓ Mandatory compliance – employers cannot opt out
- ✓ Criminal liability for non-compliance (up to €50,000 and 3 years imprisonment)
- ✓ Minimal administrative burden – designed for ease of compliance
- ✓ Gradual 10-year phase-in of contribution rates
- ✓ Immediate preparation is essential – only 3 months remaining

Implementation & Timeline

Q: Can we delay implementation of auto-enrolment?

A: No. Auto-enrolment is mandatory legislation under the Automatic Enrolment Retirement Savings System Act 2024, enacted in July 2024. All Irish employers must comply from 1 January 2026. There are no exemptions or delays available, and non-compliance carries criminal penalties.

Q: What happens if our payroll provider isn't ready by January 2026?

A: You must contact your payroll provider immediately. With only 3 months remaining, ensuring NAERSA-compatible software is critical. If your current provider cannot confirm readiness, you should explore alternative providers urgently. Non-compliance is not an option and carries penalties up to €50,000 and potential imprisonment.

Q: How much time do we have to establish if new employees are eligible?

A: You have up to 13 weeks from the date of employment to establish eligibility for auto-enrolment. This allows time to determine if the employee meets the criteria of being aged 23–60 and earning €20,000+ annually.

Eligibility & Coverage

Q: Who exactly gets auto-enrolled?

A: Employees must meet three criteria:

- 1) aged between 23 and 60 years,
- 2) earning €20,000 or more annually, and
- 3) not currently enrolled in a workplace or private pension via payroll.

This applies to all employees including apprentices. Directors' eligibility depends on their PRSI class.

Q: What about employees with multiple jobs?

A: Eligibility assessment is based on combined earnings across all employments. If an employee's total earnings from multiple jobs reach €20,000+ annually and they meet the age criteria, they become eligible for auto-enrolment.

Q: Are there any exemptions?

A: Yes. Exemptions include: existing pension scheme members (contributing through payroll), self-employed individuals (different PRSI classes), and Community Employment participants. However, Community Employment supervisors ARE included in auto-enrolment.

Q: If an employee is already in our company pension scheme, are they auto-enrolled?

A: No. Employees currently contributing to a workplace or private pension via payroll are exempt from auto-enrolment. However, this makes robust employee engagement in your existing scheme crucial to avoid dual enrolment scenarios.

Financial Impact & Contributions

Q: What are the contribution rates and how do they increase?

A: The scheme phases in over 10 years:

- Years 1–3: Employee 1.5%, Employer 1.5%, State 0.5% (Total 3.5%)
- Years 4–6: Employee 3.0%, Employer 3.0%, State 1.0% (Total 7.0%)
- Years 7–9: Employee 4.5%, Employer 4.5%, State 1.5% (Total 10.5%)
- Year 10+: Employee 6.0%, Employer 6.0%, State 2.0% (Total 14.0%)

Q: How much will this cost our business in Year 1?

A: For an employee earning €30,000, your employer contribution in Year 1 would be €450 (1.5% of €30,000). By Year 10, this increases to €1,800+ (6.0%). You should conduct a full workforce analysis to calculate your total exposure.

Q: Is there a cap on earnings for contributions?

A: Yes. The maximum assessable earnings are capped at €80,000 per annum. No contributions are required on earnings above this threshold.

Q: How should we budget for these increasing costs?

A: You should:

- 1) conduct immediate financial modelling of contribution impact based on your eligible workforce,
- 2) factor these costs into wage negotiations and long-term business planning,
- 3) consider the impact on competitiveness, and
- 4) plan for gradual increases over the 10-year rollout period.

Employer Obligations

Q: What exactly must employers do?

A: Employers MUST:

- 1) facilitate payroll deductions (no employee opt-out initially),
- 2) pay matching employer contributions,
- 3) notify employees of their enrolment,
- 4) use NAERSA-compatible payroll software, and
- 5) submit returns directly to NAERSA, separate from Revenue.

Q: What don't we need to do as employers?

A: The system is designed to minimise employer administration. You DON'T need to:

- 1) assess employee eligibility (NAERSA handles this),
- 2) set up your own pension scheme,
- 3) use pension brokers, or
- 4) make investment decisions.

Q: How does this interact with our existing pension scheme?

A: Existing schemes can run in parallel with auto-enrolment. Initially, there are no minimum standards required for existing schemes, but a 'quality test' will be introduced by Year 6. Employees contributing to your company scheme via payroll are exempt from auto-enrolment.

Q: Do PRSA obligations continue?

A: Yes. The Automatic Enrolment Act does not affect existing PRSA obligations. You must still offer PRSA access to employees who want it.

Employee Rights & Opt-Out

Q: Can employees opt out of auto-enrolment?

A: Yes, but not immediately. The opt-out timeline is:

- 1) Months 1-6: Mandatory participation, no opt-out permitted,
- 2) Months 7-8: Employees can opt out and receive contribution refunds,
- 3) After 2 years: Automatic re-enrolment if still eligible.

There are no penalties for repeated opt-outs.

Q: What protections do employees have?

A: Employee protections include:

- 1) funds remain personal property,
- 2) pension 'pot' follows the member between jobs,
- 3) access at State Pension age (currently 66), and
- 4) no penalties for repeated opt-outs.

Q: Can we encourage employees to opt out?

A: Absolutely not. Employers cannot force employees to opt out or prevent employees from joining. Violations may result in prosecution. This is a serious offence under the Act.

Technical & Compliance

Q: What is AEPN and how does it work?

A: AEPN (Automatic Enrolment Payroll Notification system) ensures automatic enrolment notifications are sent directly to NAERSA, separate from Revenue PAYE returns. It includes variable direct debit options and an employer portal for administration.

Q: Who are the key technical partners?

A: The scheme administrator is Tata Consultancy Services (TCS). Your payroll software must be NAERSA-compatible. Support is available through the Payroll Software Developers Association (PSDA). Payroll providers are updating systems throughout 2025, with final testing in Q4 2025.

Q: What are the penalties for non-compliance?

A: Non-compliance consequences are severe:

- 1) Fixed penalties up to €5,000,
- 2) Serious offences: up to €50,000 fine and 3 years imprisonment,
- 3) Interest charges on unpaid contributions.

The scheme is supervised by NAERSA and the Pensions Authority.

Risk Management

Q: What are the key risks for Irish Steel members?

A: Key risks include:

- 1) Compliance Risk – criminal liability for non-compliance (mitigate through early preparation and professional advice),
- 2) Dual System Complexity – managing both company scheme and auto-enrolment (mitigate through strong employee engagement and payroll coordination),
- 3) Cash Flow Impact – unexpected contribution obligations (mitigate through workforce analysis and financial planning),
- 4) Administrative Burden – system integration challenges (mitigate through early engagement with payroll providers).
- 5)

Q: What if employees are dual-enrolled?

A: There's a risk employees may be dual-enrolled if they're not contributing to your company scheme via payroll. This makes robust employee engagement crucial to maximise company scheme uptake and avoid unnecessary dual contributions.

Action Plan

Q: What immediate actions should we take before January 2026?

A: Phase 1 (Now – September 2025):

- 1) Conduct legal audit of current workforce and pension arrangements,
- 2) Engage payroll provider to confirm system readiness,
- 3) Complete financial modelling of contribution impact,
- 4) Develop employee communication plans.

Phase 2 (October – December 2025):

- 1) System testing with payroll provider,
- 2) Employee briefings on changes,
- 3) Final workforce analysis,
- 4) Cash flow preparation.

Phase 3 (January 2026):

- 1) Monitor first payroll runs,
- 2) Address system issues immediately,
- 3) Support employees with queries,
- 4) Maintain compliance documentation.

Q: How should we communicate this to employees?

A: You must:

- 1) inform employees when they are enrolled in the system,
- 2) prepare clear, jargon-free communications explaining the scheme, contribution rates, and their rights,
- 3) conduct employee briefings before go-live, and
- 4) be available to answer employee queries during the transition.

Support Available for Irish Steel Members

Immediate Actions Required

- Conduct a workforce audit
- Engage with payroll provider immediately
- Begin financial planning and modelling
- Seek professional HR and legal advice

Professional Support

- Irish Steel: Technical guidance and peer support
- Legal counsel: Compliance and implementation advice
- Payroll providers: System integration support
- PurpleTree HR: Expert guidance and preparation support

Official Resources

Citizens Information

citizensinformation.ie

Pensions Authority

pensionsauthority.ie

NAERSA Information

gov.ie/autoenrollment

Need Further Assistance?

PurpleTree is here to support you through auto-enrolment preparation and implementation. Our expert team can help with workforce analysis, payroll system readiness, financial planning, and ensuring full compliance.



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Important Disclaimer:

This briefing is for information purposes only and does not constitute legal advice. Specific professional advice should be sought for individual circumstances. All information is based on the Automatic Enrolment Retirement Savings System Act 2024 and is correct as of October 2025.



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